

Exhibit R

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEXUAL ABUSE OR MOLESTATION COVERAGE

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SEXUAL ABUSE OR MOLESTATION COVERAGE

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE FORM SCHEDULE

Limits of Insurance

Sexual Abuse Each Occurrence \$ 1,000,000

Sexual Abuse Aggregate \$ 2,000,000

(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)

- A. SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, paragraph 2. Exclusions is amended to include the following:

“Bodily injury” or “property damage” based upon, arising out of, or in any way related to a “sexual abuse occurrence”.

- B. SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, paragraph 2. Exclusions is amended to include the following:

“Personal and advertising injury” based upon, arising out of, or in any way related to a “sexual abuse occurrence”.

- C. The following is added to SECTION I – COVERAGES:

SEXUAL ABUSE AND MOLESTATION LIABILITY

Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage”, or “personal and advertising injury” caused in whole or in part by a “sexual abuse occurrence” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury”, “property damage”, or “personal and advertising injury” to which this insurance does not apply. We may, at our discretion, investigate any “sexual abuse occurrence” and settle any claim or “suit” that may result. But:
- (1) The amount we will pay for damages is limited as described in the schedule of limits above and in SECTION III – LIMITS OF INSURANCE; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under this Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS – COVERAGES A, B and SEXUAL ABUSE AND MOLESTATION LIABILITY.

- b. This insurance applies to “bodily injury”, “property damage” and “personal and advertising injury” only if:

- (1) The "bodily injury", "property damage" or "personal and advertising injury" is caused by a "sexual abuse occurrence" that takes place in the "coverage territory".
 - (2) The "bodily injury", "property damage" or "personal and advertising injury" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of a "sexual abuse occurrence" or claim, knew or should have known of a "sexual abuse occurrence". If such a listed insured or authorized "employee" knew, prior to the policy period, of a "sexual abuse occurrence", then any continuation, change or resumption of such "sexual abuse occurrence" during or after the policy period will be deemed to have been known prior to the policy period.
- c. A "sexual abuse occurrence" which occurs during the policy period and was not, prior to the policy period, known to have occurred or should have been known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of a "sexual abuse occurrence" or claim, includes any continuation, change or resumption of that "sexual abuse occurrence" after the end of the policy period.
- d. A "sexual abuse occurrence" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of a "sexual abuse occurrence" or claim:
- (1) Provides notice of all, or any part, of the "sexual abuse occurrence" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury", "property damage" or "personal and advertising injury" caused by a "sexual abuse occurrence"; or
 - (3) Becomes aware or should have been aware by any other means that a "sexual abuse occurrence" has occurred or has begun to occur.
- e. Damages because of "bodily injury" caused by a "sexual abuse occurrence" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the same "bodily injury".
- D. It is a condition precedent to coverage under this endorsement for:
- a. Any insured in relation to the operations of Premier Athletics, LLC;
 - b. Premier Athletics, LLC; and
 - c. Premier Athletics, LLC's "employees", coaches, and "volunteer workers",

That Premier Athletics, LLC shall obtain a "satisfactory background check" on its "employees", coaches and "volunteer workers" prior to any "sexual abuse occurrence" that involved such "employees", coaches, or "volunteer workers".

- E. With respect to SECTION I – COVERAGES, SEXUAL ABUSE AND MOLESTATION LIABILITY the following applies:
1. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, paragraph 2. Exclusions, exclusions a. through q. apply to this coverage.
 2. COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, paragraph 2. Exclusions, exclusions a. through p. apply to this coverage.
 3. Any exclusion added by endorsement to the policy shall also apply to SECTION I – COVERAGES, SEXUAL ABUSE AND MOLESTATION LIABILITY.

4. The following additional exclusions also apply to SECTION I – COVERAGES, SEXUAL ABUSE AND MOLESTATION LIABILITY:

This insurance does not apply to:

- (a) The liability, including any costs associated with the defense, of:

1. An additional insured, or any person or entity indemnified under any “insured contract”, if the “employee(s)”, agent(s), representative(s), vendor, or “volunteer worker(s)” of such additional insured or indemnified person or entity actually or allegedly committed or participated, in any respect, in a “sexual abuse occurrence”; or
2. Any independent contractor, or the “employees” or agents of such independent contractor;
3. Any person who actually or allegedly participated in, directed, or knowingly allowed any “sexual abuse occurrence”. However, we will afford the defense to which such insured person would be otherwise entitled until such time as:
 - a. That person is adjudicated to have participated in, directed or knowingly allowed any “sexual abuse occurrence”;
 - b. That person admits in any context, including pleading nolo contendere, to having participated in, directed or knowingly allowed any “sexual abuse occurrence”; or
 - c. We determine there is sufficient information demonstrating that such person participated in, directed or knowingly allowed any “sexual abuse occurrence”.
4. Any person who failed to report any “sexual abuse occurrence” as required by any applicable federal, state, or local law, ordinance, or regulation.

- (b) “Bodily injury” or “personal and advertising injury” to:

1. A person arising out of any:
 - a. Refusal to employ that person;
 - b. Termination of that person’s employment;
 - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” or “personal and advertising injury” to that person at whom any of the employment-related practices described in Paragraphs 1.a., 1.b., or 1.c. above is directed.

This exclusion applies:

- (1) Whether the “sexual abuse occurrence” described in Paragraphs 1.a., 1.b., or 1.c. above occurs before employment, during employment or after employment of that person;

- (2) Whether the insured may be liable as an employer or in any other capacity; and
 - (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- (c) Damages or defense costs arising out of criminal proceedings.
 - (d) Criminal and/or civil fines, penalties, punitive damages, exemplary damages or aggravated damages, or any cost or expense paid or incurred in defending against any such fine, penalty, or damages.
 - (e) Damages or defense costs arising out of any "responsible insured's" failure to report any "sexual abuse occurrence" as required by any applicable federal, state, or local law, ordinance, or regulation.
- F. Under SUPPLEMENTARY PAYMENTS – COVERAGES A AND B, paragraph 1. applies to the SEXUAL ABUSE AND MOLESTATION LIABILITY provided by this endorsement. Paragraph 2. does not apply to the SEXUAL ABUSE AND MOLESTATION LIABILITY provided by this endorsement.
- G. SECTION II – WHO IS AN INSURED is amended to include the following paragraphs:
- 4. Regardless of paragraphs 1., 2., or 3. above, no person who has been found guilty of or pleaded guilty or nolo contendere to any criminal act involved in any "sexual abuse occurrence" is an insured under this policy.
 - 5. With respect to any additional insured who is an insured as required under a written contract or as endorsed onto this policy, such person or organization is not an insured if any "employee(s)", agent(s), representative(s), vendor, or "volunteer worker(s)" of such additional insured or indemnified person or organization actually or allegedly committed or participated, in any respect, in a "sexual abuse occurrence".
- H. For the purposes of the coverage provided by this endorsement only, SECTION III – LIMITS OF INSURANCE is replaced by the following:
- SECTION III – LIMITS OF INSURANCE
- 1. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or
 - d. Damages under SEXUAL ABUSE AND MOLESTATION LIABILITY provided by this endorsement.
 - 2. The Sexual Abuse Aggregate Limit shown in the Schedule above is the most we will pay for all damages because of all "bodily injury", "property damage", or "personal and advertising injury" arising out of all "sexual abuse occurrences".
 - 3. Subject to the Sexual Abuse Aggregate Limit, the Sexual Abuse Each Occurrence Limit is the most we will pay for the sum of damages because of all "bodily injury", "property damage" and "personal and advertising injury" arising out of any one "sexual abuse occurrence".

The Limits of Insurance of this SEXUAL ABUSE AND MOLESTATION LIABILITY coverage apply to the policy period set forth in the Declarations or any endorsement thereto.

- I. For the purposes of coverage provided by this endorsement only, SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended as follows:

1. Under Condition 2. Duties In the Event Of Occurrence, Offense, Claim Or Suit, the term “occurrence” is amended to include a “sexual abuse occurrence”.
2. Condition 4. Other Insurance is deleted and replaced by the following:

4. Other Insurance

Coverage under this endorsement shall apply only in excess of any other valid and collectible insurance or bond regardless of whether such other insurance or bond is stated to be excess, contributory, contingent or otherwise, unless such other insurance or bond is written specifically excess of this endorsement by reference in such other insurance or bond to this endorsement's title.

With respect to SEXUAL ABUSE AND MOLESTATION LIABILITY coverage, the above Condition 4. Other Insurance applies despite any other provision of this policy to the contrary, whether or not by endorsement.

However, this insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- a. The additional insured is a Named Insured under such other insurance; and
- b. You have agreed in writing in a contract or agreement that this insurance would be primary and not seek contribution from any other insurance available to the additional insured.

- J. For the purposes of coverage provided by this endorsement only, SECTION V – DEFINITIONS, definition 3. “Bodily injury” is deleted and replaced by the following:

3. “Bodily injury” means bodily injury, sickness, or disease sustained by a person, including death resulting from any bodily injury, sickness or disease at any time. “Bodily injury” also includes mental anguish, emotional distress, shock, mental injury or humiliation if such mental anguish, emotional distress, shock, mental injury or:
 - a. Directly results from physical contact during a “sexual abuse occurrence”; or
 - b. Directly results from the claimant actually witnessing a “sexual abuse occurrence” between an alleged perpetrator(s) and victim(s) when there is no physical contact between the claimant and the alleged perpetrator(s).

- K. SECTION V – DEFINITIONS is amended to include the following:

1. “Sexual abuse occurrence” means a single act or multiple, continuous, sporadic or related acts, whether actual, threatened or alleged, of sexual molestation or other physical sexual abuse performed by one person, or by two or more persons acting together.

“Sexual abuse occurrence” includes “negligent employment” of any person accused of or involved in such sexual molestation or other physical sexual abuse.

All actual or alleged acts of "sexual abuse occurrence" by one person or by two or more persons acting together, including "negligent employment" of such persons(s), shall be deemed and construed as one "sexual abuse occurrence" which takes place when the first act of sexual molestation or other physical sexual abuse occurs, regardless of the number of persons involved, or the number of victims involved, or the number of incidents or locations involved, or the period of time during which the acts of sexual molestation or other physical sexual abuse took place.

No coverage is afforded under this policy if the first act of a "sexual abuse occurrence" took place outside this policy period.

2. "Negligent employment" means negligence, or alleged negligence, in the employment, investigation, supervision, training or retention in employment or volunteer status, of any person for whom the Named Insured is or was ever legally responsible and whose conduct or alleged conduct is within the definition of "sexual abuse occurrence".
3. "Responsible insured" means your "executive officer", principal, partner, owner, risk manager or the person(s) responsible for insurance matters.
4. "Satisfactory background check" means the performance of an investigation into an individual's past criminal activities which includes the confirmation there are no convictions of crimes in any way involving minors. Any "satisfactory background check" shall be conducted in accordance with the applicable local, state, and/or federal laws, and must include at a minimum:
 - a. Sex offender registry check; and
 - b. Criminal records search.

All other terms and conditions of this Policy remain unchanged.

Company: Arch Insurance Company
Endorsement Number: 16
Policy Number: SBCGL0275604
Named Insured: Varsity Brands Holding Co., Inc.
Endorsement Effective Date: 07/31/21



President

Issued by: LH August 4, 2021